

## SENATE BILL No. 476

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1.

**Synopsis:** Taxation. Allows taxing units to use "banked" property tax levies in the calculation of maximum levies. Excludes the part of a taxing unit's levy that is attributable to banking of unused maximum levies from the computation of property tax replacement credits and homestead credits.

**Effective:** July 1, 2004.

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January 13, 2004, read first time and referred to Committee on Finance.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 476

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-18.5-1, AS AMENDED BY P.L.1-2004,  
2 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2004]: Sec. 1. As used in this chapter:  
4 "Ad valorem property tax levy for an ensuing calendar year" means  
5 the total property taxes imposed by a civil taxing unit for current  
6 property taxes collectible in that ensuing calendar year.  
7 "Adopting county" means any county in which the county adjusted  
8 gross income tax is in effect.  
9 "Civil taxing unit" means any taxing unit except a school  
10 corporation.  
11 "Maximum permissible ad valorem property tax levy for the  
12 preceding calendar year" means the **greater of:**  
13 **(1) the civil taxing unit's maximum permissible ad valorem**  
14 **property tax levy for the calendar year immediately preceding**  
15 **the ensuing calendar year, as that levy was determined under**  
16 **section 3 of this chapter; or**  
17 **(2) the civil taxing unit's ad valorem property tax levy for the**



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calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government finance.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.

SECTION 2. IC 6-1.1-18.6-2, AS AMENDED BY P.L.1-2004, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. A county may not impose a county family and children property tax levy for an ensuing calendar year that exceeds the ~~levy determined under IC 12-19-7-4.~~ **product of:**

(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for the ensuing calendar year; multiplied by

(2) the maximum county family and children property tax levy that the county could have imposed for the calendar year immediately preceding the ensuing calendar year under the limitations set by this section.

SECTION 3. IC 6-1.1-18.6-2.2, AS AMENDED BY P.L.1-2004, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2.2. A county may not impose a county children's psychiatric residential treatment services property tax levy for an ensuing calendar year that exceeds the ~~levy determined under IC 12-19-7.5-6.~~ **product of:**

(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for the ensuing calendar year; multiplied by

(2) the maximum county children's psychiatric residential

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1 treatment services property tax levy that the county could  
 2 have imposed for the calendar year immediately preceding  
 3 the ensuing calendar year under the limitations set by this  
 4 section.

5 SECTION 4. IC 6-1.1-20.9-2, AS AMENDED BY  
 6 P.L.192-2002(ss), SECTION 38, IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) Except as  
 8 otherwise provided in section 5 of this chapter, an individual who on  
 9 March 1 of a particular year either owns or is buying a homestead  
 10 under a contract that provides the individual is to pay the property taxes  
 11 on the homestead is entitled each calendar year to a credit against the  
 12 property taxes which the individual pays on the individual's homestead.  
 13 However, only one (1) individual may receive a credit under this  
 14 chapter for a particular homestead in a particular year.

15 (b) The amount of the credit to which the individual is entitled  
 16 equals the product of:

- 17 (1) the percentage prescribed in subsection (d); multiplied by  
 18 (2) the **difference of:**

19 **(A) the amount of the individual's property tax liability, as that**  
 20 **term is defined in IC 6-1.1-21-5, which is:**

21 ~~(A)~~ (i) attributable to the homestead during the particular  
 22 calendar year; and

23 ~~(B)~~ (ii) determined after the application of the property tax  
 24 replacement credit under IC 6-1.1-21; **minus**

25 **(B) the part of the individual's property tax liability**  
 26 **described in clause (A) that results from ineligible property**  
 27 **tax replacement excess determined under IC 6-1.1-21-2.5.**

28 (c) For purposes of determining that part of an individual's property  
 29 tax liability that is attributable to the individual's homestead, all  
 30 deductions from assessed valuation which the individual claims under  
 31 IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's  
 32 homestead is located must be applied first against the assessed value  
 33 of the individual's homestead before those deductions are applied  
 34 against any other property.

35 (d) The percentage of the credit referred to in subsection (b)(1) is as  
 36 follows:

| 37 YEAR                | PERCENTAGE<br>38 OF THE CREDIT |
|------------------------|--------------------------------|
| 39 1996                | 8%                             |
| 40 1997                | 6%                             |
| 41 1998 through 2002   | 10%                            |
| 42 2003 and thereafter | 20%                            |



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1 However, the property tax replacement fund board established under  
 2 IC 6-1.1-21-10, in its sole discretion, may increase the percentage of  
 3 the credit provided in the schedule for any year, if the board feels that  
 4 the property tax replacement fund contains enough money for the  
 5 resulting increased distribution. If the board increases the percentage  
 6 of the credit provided in the schedule for any year, the percentage of  
 7 the credit for the immediately following year is the percentage provided  
 8 in the schedule for that particular year, unless as provided in this  
 9 subsection the board in its discretion increases the percentage of the  
 10 credit provided in the schedule for that particular year. However, the  
 11 percentage credit allowed in a particular county for a particular year  
 12 shall be increased if on January 1 of a year an ordinance adopted by a  
 13 county income tax council was in effect in the county which increased  
 14 the homestead credit. The amount of the increase equals the amount  
 15 designated in the ordinance.

16 (e) Before October 1 of each year, the assessor shall furnish to the  
 17 county auditor the amount of the assessed valuation of each homestead  
 18 for which a homestead credit has been properly filed under this chapter.

19 (f) The county auditor shall apply the credit equally to each  
 20 installment of taxes that the individual pays for the property.

21 (g) Notwithstanding the provisions of this chapter, a taxpayer other  
 22 than an individual is entitled to the credit provided by this chapter if:

- 23 (1) an individual uses the residence as the individual's principal
- 24 place of residence;
- 25 (2) the residence is located in Indiana;
- 26 (3) the individual has a beneficial interest in the taxpayer;
- 27 (4) the taxpayer either owns the residence or is buying it under a
- 28 contract, recorded in the county recorder's office, that provides
- 29 that the individual is to pay the property taxes on the residence;
- 30 and
- 31 (5) the residence consists of a single-family dwelling and the real
- 32 estate, not exceeding one (1) acre, that immediately surrounds
- 33 that dwelling.

34 SECTION 5. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2004,  
 35 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2004]: Sec. 2. As used in this chapter:

37 (a) "Taxpayer" means a person who is liable for taxes on property  
 38 assessed under this article.

39 (b) "Taxes" means property taxes payable in respect to property  
 40 assessed under this article. The term does not include special  
 41 assessments, penalties, or interest, but does include any special charges  
 42 which a county treasurer combines with all other taxes in the

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preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which, under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which

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the requirements of IC 20-5-52 were satisfied prior to  
January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the  
stated assessment year under the authority of IC 21-2-6  
(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
cumulative building fund whose property tax rate was initially  
established or reestablished for a stated assessment year that  
succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the  
stated assessment year under authority of IC 21-2-6  
(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
cumulative building fund whose property tax rate was not  
initially established or reestablished for a stated assessment  
year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the  
1984 stated assessment year under the authority of IC 21-2-6  
(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
cumulative building fund whose property tax rate was not  
initially established or reestablished for a stated assessment  
year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the  
stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 for a racial balance fund; plus

(iii) IC 20-14-13 for a library capital projects fund; plus

(iv) IC 20-5-17.5-3 for an art association fund; plus

(v) IC 21-2-17 for a special education preschool fund; plus

(vi) IC 21-2-11.6 for a referendum tax levy fund; plus

(vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in  
a school corporation's maximum permissible general fund  
levy for certain transfer tuition costs; plus

(viii) an appeal filed under IC 6-1.1-19-5.4 for an increase  
in a school corporation's maximum permissible general fund  
levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school  
corporation that is attributable to the passage, after 1983, of a  
referendum for an excessive tax levy under IC 6-1.1-19,  
including any increases in these property taxes that are  
attributable to the adjustment set forth in IC 6-1.1-19-1.5 or  
any other law; minus

(I) for each township in the county, the lesser of:

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- 1 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
- 2 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
- 3 whichever is applicable, plus the part, if any, of the
- 4 township's ad valorem property tax levy for calendar year
- 5 1989 that represents increases in that levy that resulted from
- 6 an appeal described in IC 6-1.1-18.5-13(4) filed after
- 7 December 31, 1982; or
- 8 (ii) the amount of property taxes imposed in the township for
- 9 the stated assessment year under the authority of
- 10 IC 36-8-13-4; minus
- 11 (J) for each participating unit in a fire protection territory
- 12 established under IC 36-8-19-1, the amount of property taxes
- 13 levied by each participating unit under IC 36-8-19-8 and
- 14 IC 36-8-19-8.5 less the maximum levy limit for each of the
- 15 participating units that would have otherwise been available
- 16 for fire protection services under IC 6-1.1-18.5-3 and
- 17 IC 6-1.1-18.5-19 for that same year; minus
- 18 (K) for each county, the sum of:
- 19 (i) the amount of property taxes imposed in the county for
- 20 the repayment of loans under IC 12-19-5-6 (repealed) that is
- 21 included in the amount determined under IC 12-19-7-4(a)
- 22 STEP SEVEN for property taxes payable in 1995, or for
- 23 property taxes payable in each year after 1995, the amount
- 24 determined under IC 12-19-7-4(b); and
- 25 (ii) the amount of property taxes imposed in the county
- 26 attributable to appeals granted under IC 6-1.1-18.6-3 that is
- 27 included in the amount determined under IC 12-19-7-4(a)
- 28 STEP SEVEN for property taxes payable in 1995, or the
- 29 amount determined under IC 12-19-7-4(b) for property taxes
- 30 payable in each year after 1995; plus
- 31 (2) all taxes to be paid in the county in respect to mobile home
- 32 assessments currently assessed for the year in which the taxes
- 33 stated in the abstract are to be paid; plus
- 34 (3) the amounts, if any, of county adjusted gross income taxes that
- 35 were applied by the taxing units in the county as property tax
- 36 replacement credits to reduce the individual levies of the taxing
- 37 units for the assessment year, as provided in IC 6-3.5-1.1; plus
- 38 (4) the amounts, if any, by which the maximum permissible ad
- 39 valorem property tax levies of the taxing units of the county were
- 40 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
- 41 assessment year; plus
- 42 (5) the difference between:

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- 1 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;  
 2 minus  
 3 (B) the amount the civil taxing units' levies were increased  
 4 because of the reduction in the civil taxing units' base year  
 5 certified shares under IC 6-1.1-18.5-3(e).  
 6 (h) "December settlement sheet" means the certificate of settlement  
 7 filed by the county auditor with the auditor of state, as required under  
 8 IC 6-1.1-27-3.  
 9 (i) "Tax duplicate" means the roll of property taxes which each  
 10 county auditor is required to prepare on or before March 1 of each year  
 11 under IC 6-1.1-22-3.  
 12 (j) "Eligible property tax replacement amount" is equal to the sum  
 13 of the following:  
 14 (1) Sixty percent (60%) of the total county tax levy imposed by  
 15 each school corporation in a county for its general fund for a  
 16 stated assessment year.  
 17 (2) Twenty percent (20%) of the total county tax levy (less sixty  
 18 percent (60%) of the levy for the general fund of a school  
 19 corporation that is part of the total county tax levy) imposed in a  
 20 county on real property for a stated assessment year.  
 21 (3) Twenty percent (20%) of the total county tax levy (less sixty  
 22 percent (60%) of the levy for the general fund of a school  
 23 corporation that is part of the total county tax levy) imposed in a  
 24 county on tangible personal property, excluding business personal  
 25 property, for an assessment year.  
 26 (k) "Business personal property" means tangible personal property  
 27 (other than real property) that is being:  
 28 (1) held for sale in the ordinary course of a trade or business; or  
 29 (2) held, used, or consumed in connection with the production of  
 30 income.  
 31 (l) "Taxpayer's property tax replacement credit amount" means the  
 32 sum of the following:  
 33 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar  
 34 year for taxes imposed by a school corporation for its general fund  
 35 for a stated assessment year, **excluding any ineligible property**  
 36 **tax replacement excess.**  
 37 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated  
 38 assessment year for a total county tax levy (less sixty percent  
 39 (60%) of the levy for the general fund of a school corporation that  
 40 is part of the total county tax levy) on real property, **excluding**  
 41 **any ineligible property tax replacement excess.**  
 42 (3) Twenty percent (20%) of a taxpayer's tax liability for a stated

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assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property, **excluding any ineligible property tax replacement excess.**

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

SECTION 6. IC 6-1.1-21-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 2.5. As used in this chapter, "ineligible property tax replacement excess" means the amount of the increase in the eligible property tax replacement levy amount that results from the sum of:**

**(1) the difference between:**

**(A) the ad valorem property tax levy of each civil taxing unit in the county for a particular calendar year; minus**

**(B) the maximum permissible ad valorem property tax levy of each civil taxing unit in the county for a particular calendar year that would result if, for purposes of IC 6-1.1-18.5-3, for property taxes first due and payable in 2005 and thereafter; "maximum permissible ad valorem property tax levy for the preceding calendar year" were equal to:**

**(i) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year; multiplied by**

**(ii) the assessed value growth quotient determined for the civil taxing unit under IC 6-1.1-18.5-2 for the year; plus**

**(2) the difference between:**

**(A) the county's ad valorem property tax levies under IC 6-1.1-18.6-2 and IC 6-1.1-18.6-2.2 for a particular calendar year; minus**

**(B) the maximum permissible ad valorem property tax levies of the county for the calendar year that would result if, for property taxes first due and payable in 2005 and thereafter:**

**(i) the county's property tax levy for the county family and children's fund for the preceding calendar year were**

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1 substituted for the IC 6-1.1-18.6-2(2) amount in the  
 2 calculation of the maximum permissible county family  
 3 and children property tax levy for the year; and  
 4 (ii) the county's children's psychiatric residential  
 5 treatment services property tax levy for the preceding  
 6 calendar year were substituted for the  
 7 IC 6-1.1-18.6-2.2(2) amount in the calculation of the  
 8 maximum permissible county children's psychiatric  
 9 residential treatment services property tax levy for the  
 10 year.

11 SECTION 7. IC 6-1.1-21-3, AS AMENDED BY P.L.192-2002(ss),  
 12 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JULY 1, 2004]: Sec. 3. (a) The department, with the assistance of the  
 14 auditor of state and the department of local government finance, shall  
 15 determine an amount equal to the eligible property tax replacement  
 16 amount **minus the county's ineligible property tax replacement**  
 17 **excess**, which is the estimated property tax replacement.

18 (b) The department of local government finance shall certify to the  
 19 department the amount of homestead credits provided under  
 20 IC 6-1.1-20.9 which are allowed by the county for the particular  
 21 calendar year.

22 (c) If there are one (1) or more taxing districts in the county that  
 23 contain all or part of an economic development district that meets the  
 24 requirements of section 5.5 of this chapter, the department of local  
 25 government finance shall estimate an additional distribution for the  
 26 county in the same report required under subsection (a). This additional  
 27 distribution equals the sum of the amounts determined under the  
 28 following STEPS for all taxing districts in the county that contain all  
 29 or part of an economic development district:

30 STEP ONE: Estimate that part of the sum of the amounts under  
 31 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable  
 32 to the taxing district.

33 STEP TWO: Divide:

34 (A) that part of the estimated property tax replacement amount  
 35 attributable to the taxing district; by

36 (B) the STEP ONE sum.

37 STEP THREE: Multiply:

38 (A) the STEP TWO quotient; times

39 (B) the taxes levied in the taxing district that are allocated to  
 40 a special fund under IC 6-1.1-39-5.

41 (d) The sum of the amounts determined under subsections (a)  
 42 through (c) is the particular county's estimated distribution for the

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1 calendar year.

2 SECTION 8. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,  
3 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,  
4 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) Each year the department  
6 shall allocate from the property tax replacement fund an amount equal  
7 to the sum of:

8 (1) each county's total eligible property tax replacement amount  
9 for that year **minus the county's total ineligible property tax**  
10 **replacement excess;** plus

11 (2) the total amount of homestead tax credits that are provided  
12 under IC 6-1.1-20.9 and allowed by each county for that year;  
13 plus

14 (3) an amount for each county that has one (1) or more taxing  
15 districts that contain all or part of an economic development  
16 district that meets the requirements of section 5.5 of this chapter.  
17 This amount is the sum of the amounts determined under the  
18 following STEPS for all taxing districts in the county that contain  
19 all or part of an economic development district:

20 STEP ONE: Determine that part of the sum of the amounts  
21 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is  
22 attributable to the taxing district.

23 STEP TWO: Divide:

24 (A) that part of the subdivision (1) amount that is  
25 attributable to the taxing district; by

26 (B) the STEP ONE sum.

27 STEP THREE: Multiply:

28 (A) the STEP TWO quotient; times

29 (B) the taxes levied in the taxing district that are allocated to  
30 a special fund under IC 6-1.1-39-5.

31 (b) Except as provided in subsection (e), between March 1 and  
32 August 31 of each year, the department shall distribute to each county  
33 treasurer from the property tax replacement fund one-half (1/2) of the  
34 estimated distribution for that year for the county. Between September  
35 1 and December 15 of that year, the department shall distribute to each  
36 county treasurer from the property tax replacement fund the remaining  
37 one-half (1/2) of each estimated distribution for that year. The amount  
38 of the distribution for each of these periods shall be according to a  
39 schedule determined by the property tax replacement fund board under  
40 section 10 of this chapter. The estimated distribution for each county  
41 may be adjusted from time to time by the department to reflect any  
42 changes in the total county tax levy upon which the estimated

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1 distribution is based.

2 (c) On or before December 31 of each year or as soon thereafter as  
3 possible, the department shall make a final determination of the amount  
4 which should be distributed from the property tax replacement fund to  
5 each county for that calendar year. This determination shall be known  
6 as the final determination of distribution. The department shall  
7 distribute to the county treasurer or receive back from the county  
8 treasurer any deficit or excess, as the case may be, between the sum of  
9 the distributions made for that calendar year based on the estimated  
10 distribution and the final determination of distribution. The final  
11 determination of distribution shall be based on:

12 (1) the auditor's abstract filed with the auditor of state, adjusted  
13 for postabstract adjustments included in the December settlement  
14 sheet for the year; and

15 (2) such additional information as the department may require.

16 **The final distribution must exclude ineligible property tax**  
17 **replacement excess amounts for the county.**

18 (d) All distributions provided for in this section shall be made on  
19 warrants issued by the auditor of state drawn on the treasurer of state.  
20 If the amounts allocated by the department from the property tax  
21 replacement fund exceed in the aggregate the balance of money in the  
22 fund, then the amount of the deficiency shall be transferred from the  
23 state general fund to the property tax replacement fund, and the auditor  
24 of state shall issue a warrant to the treasurer of state ordering the  
25 payment of that amount. However, any amount transferred under this  
26 section from the general fund to the property tax replacement fund  
27 shall, as soon as funds are available in the property tax replacement  
28 fund, be retransferred from the property tax replacement fund to the  
29 state general fund, and the auditor of state shall issue a warrant to the  
30 treasurer of state ordering the replacement of that amount.

31 (e) Except as provided in subsection (i), the department shall not  
32 distribute under subsection (b) and section 10 of this chapter the money  
33 attributable to the county's property reassessment fund if:

34 (1) by the date the distribution is scheduled to be made, ~~(1)~~ the  
35 county auditor has not sent a certified statement required to be  
36 sent by that date under IC 6-1.1-17-1 to the department of local  
37 government finance; ~~or~~

38 (2) *by the deadline under IC 36-2-9-20, the county auditor has*  
39 *not transmitted data as required under that section; or*

40 ~~(2)~~ **(3) the county assessor has not forwarded to the department**  
41 **of local government finance the duplicate copies of all approved**  
42 **exemption applications required to be forwarded by that date**

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1 *under IC 6-1.1-11-8(a).*

2 (f) Except as provided in subsection (i), if the elected township  
3 assessors in the county, the elected township assessors and the county  
4 assessor, or the county assessor has not transmitted to the department  
5 of local government finance by October 1 of the year in which the  
6 distribution is scheduled to be made the data for all townships in the  
7 county required to be transmitted under IC 6-1.1-4-25(b), the state  
8 board or the department shall not distribute under subsection (b) and  
9 section 10 of this chapter a part of the money attributable to the  
10 county's property reassessment fund. The portion not distributed is the  
11 amount that bears the same proportion to the total potential distribution  
12 as the number of townships in the county for which data was not  
13 transmitted by ~~August 1~~ *October 1* as described in this section bears to  
14 the total number of townships in the county.

15 (g) Money not distributed ~~under subsection (e)~~ *for the reasons*  
16 *stated in subsection (e)(1) and (e)(2)* shall be distributed to the county  
17 when:

18 (1) the county auditor sends to the department of local  
19 government finance the certified statement required to be sent  
20 under IC 6-1.1-17-1; and

21 (2) *the county assessor forwards to the department of local*  
22 *government finance the approved exemption applications*  
23 *required to be forwarded under IC 6-1.1-11-8(a);*

24 with respect to which the failure to send *or forward* resulted in the  
25 withholding of the distribution under subsection (e).

26 (h) Money not distributed under subsection (f) shall be distributed  
27 to the county when the elected township assessors in the county, the  
28 elected township assessors and the county assessor, or the county  
29 assessor transmits to the department of local government finance the  
30 data required to be transmitted under IC 6-1.1-4-25(b) with respect to  
31 which the failure to transmit resulted in the withholding of the  
32 distribution under subsection (f).

33 (i) The restrictions on distributions under subsections (e) and (f) do  
34 not apply if the department of local government finance determines  
35 that:

36 (1) the failure of:

37 (A) a county auditor to send a certified statement; or

38 (B) *a county assessor to forward copies of all approved*  
39 *exemption applications;*

40 as described in subsection (e); or

41 (2) the failure of an official to transmit data as described in  
42 subsection (f);

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is justified by unusual circumstances.

SECTION 9. IC 6-1.1-21-5, AS AMENDED BY P.L.1-2004, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for taxes which:

(1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or

(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

(b) The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year, as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, except when using the term under section 2(l)(1) of this chapter, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), or 2(g)(1)(K) of this chapter in computing the total county tax levy. **The tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to ineligible property tax replacement excess.**

(c) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments stated in this section.

(d) Each taxpayer in a taxing district that contains all or part of an

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1 economic development district that meets the requirements of section  
 2 5.5 of this chapter is entitled to an additional credit for property tax  
 3 replacement. This credit is equal to the product of:

- 4 (1) the STEP TWO quotient determined under section 4(a)(3) of  
 5 this chapter for the taxing district; multiplied by  
 6 (2) the taxpayer's taxes levied in the taxing district that are  
 7 allocated to a special fund under IC 6-1.1-39-5.

8 SECTION 10. [EFFECTIVE JULY 1, 2004] **(a) IC 6-1.1-21-2.5, as**  
 9 **added by this act, applies only to property taxes first due and**  
 10 **payable after December 31, 2004, for assessment dates after**  
 11 **February 29, 2004.**

12 **(b) IC 6-1.1-20.9-2, IC 6-1.1-21-2, IC 6-1.1-21-3, IC 6-1.1-21-4,**  
 13 **and IC 6-1.1-21-5, all as amended by this act, apply only to**  
 14 **property taxes first due and payable after December 31, 2004, for**  
 15 **assessment dates after February 29, 2004.**

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